suspected that certain unscrupulous exporters were abusing the policies governing exports from India to Russia against Repayment of State Rupee Credits. Among other things, overinvoicing and
hawala payment abroad of large amounts are suspected.

(c) Eight persons involved in the alleged fraud, were arrested. Delinking of

G.I.C. from its subsidiaries

621. SHRI RAJNATH SINGH' 'SURYA': Will the Minister of FINANCE be pleased to state:

(a) Whether there is a move for delinking General Insurance Corporation from its subsidiaries;

(b) if so, the reasons therefor; and

(c) what would be the fate of the ownership of its subsidiaries in
the after-math of such delinking?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir. Under the law, an insurance company can carry on either life insurance business or general insurance business or re-insurance business. Since General Insurance Corporation (GIC) has been declared as "Indian Re-insurer", it cannot carry on general insurance business either directly or through its subsidiary companies. Therefore a decision has been taken to de-link GIC from its subsidiaries. A Bill to that effect will be introduced in the current session of the Parliament.

(c) The ownership of subsidiaries of GIC will be transferred to the Government after such delinking.

Economic strategy for generation of resources

622. SHRI CO. POULOSE: Will the Minister of FINANCE be pleased to state:

(a) Whether Government's attention has been drawn to the lecture delivered by the RBI Governor who at the 18th CD*. Dcshmukh Memorial said that the most striking failure of India's economic strategy in the past 50 years has been the erosion of